

**IOWA FINANCE AUTHORITY
BOARD MEETING MINUTES**

**Iowa Hospital Association Education Center
100 E. Grand Avenue, First Floor
Des Moines, Iowa**

January 11, 2006

BOARD MEMBERS PRESENT

Vincent Lintz, Chair
Kay Anderson, Vice Chair
Carmela Brown, Treasurer
Steve Adams (Via Telephone)

Roger Caudron
Heather Kramer
Douglas Walter (Via Telephone)
Dick Wright

STAFF MEMBERS PRESENT

Lori Beary, Community Development Director
Roger Brown, Section 8 Director
Mickey Carlson, Single Family Program Manager
Donna Davis, Deputy Director/Director of
Affordable Housing Programs
Dennis Dietz, Director of Policy and
Governmental Affairs
Mark Fairley, Grant/Loan Servicing Manager

Alyson Fleming, Administrative Assistant
Craig Johnson, Financial Analyst
Shawna Lode, Communications Director
Lloyd Ogle, Director of Title Guaranty Division
Callie Sheil, Secretary
James Smith, Deputy Director/CFO
Mark Thompson, General Counsel
Nancy Wallis, Administrative Assistant

OTHERS PRESENT

Jim Cain – Iowa Coalition for Housing and Homeless
Joni DeVires – Wells Fargo Bank Iowa, NA
Sandy Ehrig – IDED
David Grossklaus – Dorsey & Whitney
Nicole Jones – Treasurer of State's Office
Linda Kniep – Ahlers & Cooney Law Firm
Hank Manning – IDED
Dan O'Connell – Cardinal Capital
Joe O'Hern – Fannie Mae

Bruce Ray – U.S Department of HUD
Bill Reinke – HOUSES, Inc.
Henry Royer – MidAmerica Housing Partnership
(MAHP)
Mary Schoen-Clark - MAHP
Erich Schwenker – Cardinal Capital
Doug Wagner - MAHP
Minniette Williams – Well Fargo Bank
Iowa, NA

CALL TO ORDER

Chair Lintz called to order the January 11, 2006, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:02 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Anderson, Brown, Adams, Caudron, Kramer, Walter, and Wright.

REVIEW AND APPROVAL OF MINUTES

November 2, 2005

Chair Lintz introduced the minutes of the December 7, 2005, regular meeting, and the December 19, 2005, telephonic meeting of the IFA Board of Directors.

MOTION: On a motion by Ms. Anderson and a second by Mr. Wright, the Board unanimously approved the minutes of the December 7, and December 19, 2005, meetings.

ADMINISTRATION/MANAGEMENT REPORT

In the absence of Mr. Mills, Ms. Donna Davis presented the Administration/Management report. Ms. Davis referred to the Table of Organization that was in the Board packet.

Also included in the Board packet was the report from Standard and Poor's (S&P). Mr. James Smith highlighted the report briefly and went over the rating status that IFA received from S&P.

Mr. Roger Brown gave the Board a handout prior to the meeting. In reference to the handout he mentioned that HUD had published a final rule on December 30, 2005, in regard to subsidized housing for students in Iowa City.

LEGAL / REGULATORY

Mr. Mark Thompson stated that an appeal had been filed in the Central States Development case that was spoken about at the prior month's meeting, and he would keep the Board updated on the situation.

Resolution Re: Loan to Iowa Coalition for Housing and Homeless

Mr. Thompson introduced the application for \$150,000 to the Coalition for Housing and the Homeless at a three percent interest, payable in three years. The funds would come from IFA's general fund.

Chair Lintz asked Mr. Jim Cain how his organization made up for lost funds from IDED and whether IFA's loan will be used for operating expenses.

Mr. Cain replied that he pursued outside sources of funds including grants from other government entities, etc. He also mentioned that the IFA loan will be used for operating expenses.

Mr. Caudron asked if it would be possible to postpone acting on the resolution until the next month's Board meeting.

MOTION:

Mr. Caudron made a motion to table the application for \$150,000 for Iowa Coalition of Housing and Homeless until the February 8, 2006, Board of Directors meeting. With a second by Mr. Wright, the Board unanimously approved the motion.

FINANCE AND ACCOUNTING

Finance Update

In the absence of Mr. Harvey, Mr. Mark Fairley referred to the financial report in the Board packet. He mentioned that the equity to asset ratio, return on assets, net interest margin and the loan to asset ratio have remained stable since last year. He also mentioned that the single-family loan portfolio increased by \$64 million dollars and that the State Revolving Fund loan portfolio has increased by \$43 million dollars.

Approval of Financial Statement

MOTION: On a motion by Ms. Brown and a second by Ms. Anderson, the Board unanimously approved the November 2005 financial statement.

Resolution Re: Single Family Mortgage Bonds, 2006 Series A, B & C

Mr. Smith introduced an application for \$60 million, authorizing the issuance of three bonds. The bonds are the 2006 Series A, fixed rate bonds (non-AMT refunding bonds), 2006 Series B, fixed rate bonds (includes AMT refunding bonds and new money), and 2006 Series C, variable rate bonds (AMT new money). These are tax-exempt variable rate bonds of approximately \$12,000,000, with an associated swap in order to synthetically fix the rate (similar to our prior variable rate bonds). They will utilize approximately \$51.3 million of IFA's 2006 volume cap, and the proceeds of the bond will be used to fund

approximately \$60 million in new mortgage loans under the First Home Program. The pricing of the bonds will be mid-January with the closing in early March.

MOTION:

Mr. Adams made a motion to approve the application for \$60 million of Single Family Mortgage Bonds. On a second by Mr. Wright, the Board unanimously approved the resolution.

ECONOMIC DEVELOPMENT LOAN PROGRAM

ED Loan #06-01A, Cardinal Capital Management Inc, Spruce Hills Village Project

Ms. Beary introduced the application for \$2,225,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for Cardinal Capital Management Inc.'s Spruce Hills Village Project in Bettendorf. The bonds will be used for the acquisition and rehabilitation of a 63-unit Section 8 project for seniors. This project will require Private Activity Bond Cap.

MOTION:

Mr. Walter made a motion to approve the application for \$2,250,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for Cardinal Capital Management Inc.'s Spruce Hills Village Project in Bettendorf. On a second by Mr. Caudron, the Board unanimously approved Resolution #06-01A.

Public Hearing for ChildServe

Chair Lintz opened the public hearing at 11:34 a.m. regarding the issuance of an amount not to exceed \$23,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for ChildServe in Johnston. The bonds will be used for the renovation of two existing buildings, construction of a connecting building, conversion of seven group homes, and for refunding bonds issued in 2002. This project will not require Private Activity Bond Cap. The inducement resolution was adopted at the September 7, 2005, Board meeting. There being no verbal or written comments from the audience, Chair Lintz closed the public hearing at 11:35 a.m.

ED Loan #05-23B, ASA Limited Partnership, Ashley Square Project

Ms. Beary introduced the resolution for \$6,391,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for ASA Limited Partnership, Ashley Square Project in Des Moines. The bonds will be used for the acquisition and rehabilitation of a 144-unit apartment complex. The inducement resolution was adopted on November 2, 2005, and the public hearing was held on December 7, 2005. This project will require Private Activity Bond Cap.

MOTION:

Ms. Anderson made a motion to approve the resolution for \$6,391,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for ASA Limited Partnership, Ashley Square Project in Des Moines. On a second by Mr. Wright, the Board unanimously approved Resolution #05-23B.

State Revolving Fund Program

Ms. Beary introduced a resolution to approve Planning and Design loans for the cities of Grand Junction, Wyoming, West Burlington, Toledo, Lester, Paullina, Anamosa, Colesburg, Iowa Falls, Maharishi Vedic City, and the Warren Water District. These loans are at 0 percent interest for up to 3 years. The funds are used for the planning and design phases of wastewater and drinking water infrastructure projects. The total for the eleven projects is \$1,666,000.

MOTION:

Mr. Walter made a motion to approve the Planning and Design loans for the cities of Grand Junction, Wyoming, West Burlington, Toledo, Lester, Paullina, Anamosa, Colesburg, Iowa Falls, Maharishi Vedic City, and the Warren Water District. On a second by Ms. Brown, the Board unanimously approved the resolution for Planning and Design Loans to eleven communities.

HOUSING PROGRAMS

Resolution Re: MidAmerica Housing Partnership (MAHP)

Mr. Craig Johnson introduced the application for \$1,600,000 to combine the existing loans that MAHP has with IFA into a bridge loan. This allows for the orderly liquidation of the underlying assets. Subsequent to the sale of those assets and subject to the IFA Board approval, the balance would be recast into an unsecured fully amortizing term loan. The sale of the office building and the rental properties owned by MAHP will be exempt from real estate taxes. The debt reduction and the increased cash flow will be more than adequate to service the remaining debt.

A discussion followed among the Board members, Ms. Davis and Mr. Johnson of IFA, and Ms. Schoen-Clark of MAHP. Ms. Brown and Ms. Anderson suggested that the Board receive more information and a contingency plan before any action is taken.

Ms. Schoen-Clark announced that she would appreciate Board action on the Bedford property for \$28,000 because it is very time sensitive.

Mr. Caudron asked Ms. Schoen-Clark the total amount MAHP needed. He also asked if the Board would move on the above loan.

MOTION:

Mr. Adams made a motion to approve an unsecured loan, not to exceed \$30,000 for the Bedford home project. On a second by Mr. Wright, the Board unanimously approved the motion.

TITLE GUARANTY DIVISION (TGD)

Mr. Loyd Ogle referred to the charts included in the Board materials and notified the Board that TGD's new premium rates are now in effect. Mr. Ogle also updated the Board on TGD's upcoming events.

POLICY / LEGISLATION

Mr. Dennis Dietz referred to the handout included in the Board materials.

COMMUNICATIONS

Ms. Shawna Lode handed out IFA's annual report, referred to the handouts included in the Board materials and updated the Board on upcoming conferences and events, as well as news articles that would appear in the future.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no one in the audience wishing to address the Board, Chair Lintz closed the public comment period.

Next Month

The next regular meeting will be held at 10:45 a.m. on Wednesday, February 8, 2006, at the Iowa Hospital Association, 100 E. Grand Avenue, 1st Floor, Des Moines, IA.

ADJOURNMENT

There being no further business, on a motion by Mr. Caudron and a second by Ms. Anderson, the January meeting of the Iowa Finance Authority Board of Directors adjourned at 12:41 p.m.

Dated this 8th day of February, 2006.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Vincent C. Lintz, Chair
Iowa Finance Authority

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